

**Republic of Yemen
Council of Ministers
High Tender Board**

REQUEST FOR PROPOSALS

Consultants' Services: Complex Time-Based Assignments

May 2010

REQUEST FOR PROPOSALS

[Name of Entity]

[Project Name]

[Title of Consulting Services]

[Procurement Number]

[Date of Issue]

Consultants' Services: Complex Time-Based Assignments

CONTENTS

CONTENTS.....	1
SECTION 1. LETTER OF INVITATION	2
SECTION 2. INFORMATION TO CONSULTANTS	3
1. Introduction.....	3
2. Clarification and Amendment of RFP Documents	5
3. Preparation of Proposal.....	6
4. Submission, Receipt, and Opening of Proposals	8
5. Proposal Evaluation	9
6. Negotiations	11
7. Award of Contract.....	12
8. Confidentiality	12
APPENDIX	13
SECTION 3 - DATA SHEET	17
SECTION 4. TECHNICAL PROPOSAL - STANDARD FORMS.....	21
SECTION 5. FINANCIAL PROPOSAL - STANDARD FORMS	31
SECTION 6. TERMS OF REFERENCE	38
SECTION 7. STANDARD FORM OF CONTRACT	39

Section 1. Letter of Invitation

[Name of Consultant]: [Date]

Dear Sirs,

1. The [Name of Client] has received funds from [identify the source of funds] toward the cost of [Name of Project] and intends to apply a portion of this funding to eligible payments under this Contract, reference number [Procurement Number].

2. The [Name of Client] now invites proposals to provide the following consulting services: [insert: short description of objectives and scope of the assignment]. More details on the services are provided in the attached Terms of Reference.

3. This Request for Proposals (RFP) has been addressed to the following shortlisted consultants:

[insert: List of Shortlisted Consultants]

4. A firm will be selected under [insert: Selection Method]¹ and procedures described in this RFP.

5. The RFP includes the following documents:

Section 1 - Letter of Invitation

Section 2 - Instruction to Consultants

Section 3 – Data Sheet

Section 4 - Technical Proposal - Standard Forms

Section 5 - Financial Proposal - Standard Forms

Section 6 - Terms of Reference

Section 7 - Standard Forms of Contract.

6. Please inform us, upon receipt:

- (a) that you received the letter of invitation; and
- (b) whether you will submit a proposal alone or in association.

Yours sincerely,

[insert: Signature, name, and title of Client's representative]

¹ Specify the used Selection Method: Quality- and Cost-Based Selection (QCBS), Fixed-Budget Selection, Least-Cost Selection, Selection Based on Qualifications, or Single-Source Selection

Section 2. Instruction to Consultants

1. Introduction

- 1.1 The Client named in the Data Sheet will select a firm from those listed in the Letter of Invitation, in accordance with the method of selection specified in the Data Sheet.
- 1.2 The consultants are invited to submit a Technical Proposal and a Financial Proposal, or a Technical Proposal only, as specified in the Data Sheet for consulting services required for the assignment named in the Data Sheet. The proposal will be the basis for contract negotiations and ultimately for a signed contract with the selected firm.
- 1.3 The assignment shall be implemented in accordance with any phasing indicated in the Data Sheet. When the assignment includes several phases, the performance of the consultant under each phase must be to the Client's satisfaction before work begins on the next phase.
- 1.4 The consultants must familiarize themselves with local conditions and take them into account in preparing their proposals. To obtain firsthand information on the assignment and on the local conditions, consultants are encouraged to visit the Client before submitting a proposal and to attend a pre-proposal conference if one is specified in the Data Sheet. Attending the pre-proposal conference is optional. The consultants' representative should contact the officials named in the Data Sheet to arrange for their visit or to obtain additional information on the pre-proposal conference. Consultants should ensure that these officials are advised of the visit in adequate time to allow them to make appropriate arrangements.
- 1.5 The Client will provide the inputs specified in the Data Sheet, assist the firm in obtaining licenses and permits needed to carry out the services, and make available relevant project data and reports.
- 1.6 Note that (i) the costs of preparing the proposal and of negotiating the contract, including a visit to the Client, are not reimbursable as a direct cost of the assignment; and (ii) the Client is not bound to accept any of the proposals submitted.
- 1.7 Government policy requires consultants to provide professional, objective, and impartial advice, and at all times hold the Client's interests paramount, without any consideration for future work, and strictly avoid conflicts with other assignments or their own corporate interests. Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position

of not being able to carry out the assignment in the best interests of the Client.

1.7.1 Without limitation on the generality of this rule, consultants shall not be hired under the circumstances set forth below:

- (a) A firm which has been engaged by the Client to provide goods or works for a project, and any of their affiliates, shall be disqualified from providing consulting services for the same project. Conversely, firms hired to provide consulting services for the preparation or implementation of a project, and any of their affiliates, shall be disqualified from subsequently providing goods or works or services related to the initial assignment (other than a continuation of the firm's earlier consulting services) for the same project.
- (b) Consultants or any of their affiliates shall not be hired for any assignment which, by its nature, may be in conflict with another assignment of the consultants.

1.7.2 As pointed out in paragraph 1.7.1 (a) above, consultants may be hired for downstream work, when continuity is essential, in which case this possibility shall be indicated in the Data Sheet and the factors used for the selection of the consultant should take the likelihood of continuation into account. It will be the exclusive decision of the Client whether or not to have the downstream assignment carried out, and if it is carried out, which consultant will be hired for the purpose.

1.8 It is the Government's policy to require that both the Client and consultants observe the highest standard of ethics during the selection and execution of such contracts. In pursuance of this policy, the Government:

- (a) defines, for the purposes of this provision, the terms set forth below as follows:
 - (i) "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution; and
 - (ii) "fraudulent practice" means a misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the borrower, and includes collusive practices among

consultants (prior to or after submission of proposals) designed to establish prices at artificial, non-competitive levels and to deprive the Client of the benefits of free and open competition.

- (b) will reject a proposal for award if it determines that the firm recommended for award has engaged in corrupt or fraudulent activities in competing for the contract;
- (c) will declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded a Government contract if it at any time determines that the firm has engaged in corrupt or fraudulent practices in competing for, or in executing, a Government contract; and
- (d) will have the right to require that the consultants permit the Government to inspect their accounts and records relating to the performance of the contract and to have them audited by auditors appointed by the Government.

1.9 Consultants shall not be under a declaration of ineligibility for corrupt and fraudulent practices issued by the Government in accordance with the above sub-paragraph 1.8 (d).

1.10 Consultants shall furnish information as described in the Financial Proposal submission form (Section 4A) on commissions and gratuities, if any, paid or to be paid to agents relating to this proposal, and to execute the work if the firm is awarded the contract.

1.11 Consultants shall be aware of the provisions on fraud and corruption stated in the Standard Contract under the clauses indicated in the Data Sheet.

2. Clarification and Amendment of RFP Documents

2.1 Consultants may request a clarification of any of the RFP documents up to the number of days indicated in the Data Sheet before the proposal submission date. Any request for clarification must be sent in writing by mail, facsimile, or electronic mail to the Client's address indicated in the Data Sheet. The Client will respond by cable, telex, facsimile, or electronic mail to such requests and will send written copies of the response (including an explanation of the query but without identifying the source of inquiry) to all invited consultants who intend to submit proposals.

2.2 At any time before the submission of proposals, the Client may, for any reason, whether at its own initiative or in response to a clarification requested by an invited firm, amend the RFP. Any amendment shall be issued in writing through addenda. Addenda shall be sent by mail, facsimile, or electronic mail to all invited

consultants and will be binding on them. The Client may at its discretion extend the deadline for the submission of proposals.

- 3. Preparation of Proposal**
- 3.1** Consultants are requested to submit a proposal (paragraph 1.2) written in the language(s) specified in the Data Sheet.
- Technical Proposal**
- 3.2** In preparing the Technical Proposal, consultants are expected to examine the documents constituting this RFP in detail. Material deficiencies in providing the information requested may result in rejection of a proposal.
- 3.3** While preparing the Technical Proposal, consultants must give particular attention to the following:
- (i) If a consultant considers that it does not have all the expertise for the assignment, it may obtain a full range of expertise by associating with individual consultant(s) and/or other consultants or entities in a joint venture or sub-consultancy, as appropriate. Consultants may associate with the other consultants invited for this assignment only with approval of the Client as indicated in the Data Sheet. The consultants are encouraged to seek the participation of local consultants by entering into a joint venture with, or subcontracting part of the assignment to, Yemeni consultants.
 - (ii) For assignments on a staff-time basis, the estimated number of professional staff-months is given in the Data Sheet. The proposal shall, however, be based on the number of professional staff-months estimated by the firm. For fixed-budget-based assignments, the available budget is given in the Data Sheet, and the Financial Proposal shall not exceed this budget.
 - (iii) It is desirable that the majority of the key professional staff proposed be permanent employees of the firm or have an extended and stable working relationship with it.
 - (iv) Proposed professional staff must, at a minimum, have the experience indicated in the Data Sheet, preferably working under conditions similar to those prevailing in the Republic of Yemen.
 - (v) Alternative professional staff shall not be proposed, and only one curriculum vitae (CV) may be submitted for each position.
 - (vi) Reports to be issued by the consultants as part of this assignment must be in the language(s) specified in the Data Sheet. It is desirable that the firm's personnel have a

working knowledge of the Arabic language.

3.4 The Technical Proposal shall provide the following information using the Standard Forms attached in Section 4:

- (i) A brief description of the firm's organization and an outline of recent experience on assignments (Section 4B) of a similar nature. For each assignment, the outline should indicate, inter-alia, the profiles of the staff proposed, duration of the assignment, contract amount, and the firm's involvement.
- (ii) Any comments or suggestions on the Terms of Reference, on the data, or on the list of services and facilities to be provided by the Client (Section 4C).
- (iii) A description of the methodology and work plan for performing the assignment (Section 4D).
- (iv) The list of the proposed staff team by specialty, the tasks that would be assigned to each staff team member, and their timing (Section 4E).
- (v) CVs recently signed by the proposed professional staff and the authorized representative submitting the proposal (Section 4F). Key information should include number of years working for the firm/entity and degree of responsibility held in various assignments during the last ten (10) years.
- (vi) Estimates of the total staff input (professional and support staff; staff time) needed to carry out the assignment, supported by bar-chart diagrams showing the time proposed for each professional staff team member (Sections 4E and 4G).
- (vii) A detailed description of the proposed methodology, staffing, and monitoring of training, if the Data Sheet specifies training as a major component of the assignment.
- (viii) Any additional information requested in the Data Sheet.

3.5 The Technical Proposal shall not include any financial information.

**Financial
Proposal**

3.6 In preparing the Financial Proposal, consultants are expected to take into account the requirements and conditions outlined in the RFP documents. The Financial Proposal should follow the Standard Forms in Section 5. These list all costs associated with

the assignment, including (a) remuneration for staff, (foreign and local, in the field and at headquarters); and (b) reimbursable expenses such as subsistence (per diem, housing), transportation (international and local, for mobilization and demobilization), services and equipment (vehicles, office equipment, furniture, and supplies), office rent, insurance, printing of documents, surveys, and training, if it is a major component of the assignment. Where appropriate, these costs should be broken down by activity and, if appropriate, into foreign and local expenditures.

- 3.7 The Financial Proposal should clearly estimate, as a separate amount, the local taxes (including social security), duties, fees, levies, and other charges imposed under the applicable law, on the consultants, the sub-consultants, and their personnel, unless the Data Sheet specifies otherwise.
- 3.8 Consultants may express the price of their services in any freely convertible currency. The consultants may not use more than three foreign currencies. The Client may require consultants to state the portion of their price representing local costs in Yemeni Rials if so indicated in the Data Sheet.
- 3.9 Commissions and gratuities, if any, paid or to be paid by consultants and related to the assignment will be listed in the Financial Proposal submission form (Section 5A).
- 3.10 The Data Sheet indicates how long the proposals must remain valid after the submission date. During this period, the consultant is expected to keep available the professional staff proposed for the assignment. The Client will make its best effort to complete negotiations within this period. If the Client wishes to extend the validity period of the proposals, the consultants who do not agree have the right not to extend the validity of their proposals.

4. Submission, Receipt, and Opening of Proposals

- 4.1 The original proposal (Technical Proposal and, if required, Financial Proposal; see paragraph 1.2) shall be prepared in indelible ink. It shall contain no interlineation or overwriting, except as necessary to correct errors made by the firm itself. Any such corrections must be initialed by the persons or person signing the proposal.
- 4.2 An authorized representative of the firm shall initial all pages of the proposal. The representative's authorization shall be confirmed by a written power of attorney accompanying the proposal.
- 4.3 For each proposal, the consultants shall prepare the number of copies indicated in the Data Sheet. Each Technical Proposal and

Financial Proposal shall be marked “Original” or “Copy” as appropriate. If there are any discrepancies between the original and the copies of the proposal, the original will govern.

- 4.4 The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked “Technical Proposal,” and the original and all copies of the Financial Proposal in a sealed envelope clearly marked “Financial Proposal” and warning: “Do Not Open with the Technical Proposal.” Both envelopes shall be placed into an outer envelope and sealed with red wax. This outer envelope shall bear the submission address and other information indicated in the Data Sheet and be clearly marked, “Do Not Open, Except in Presence of the Evaluation Committee.”
- 4.5 The completed Technical and Financial Proposals must be delivered at the submission address on or before the time and date stated in the Data Sheet. Any proposal received after the closing time for submission of proposals shall be returned unopened.
- 4.6 After the deadline for submission of proposals, the Technical Proposal shall be opened immediately by the evaluation committee. The Financial Proposal shall remain sealed and retained securely until all submitted proposals are opened publicly.

5. Proposal Evaluation

General

- 5.1 From the time the bids are opened to the time the contract is awarded, if any consultant wishes to contact the Client on any matter related to its proposal, it should do so in writing at the address indicated in the Data Sheet. Any effort by the firm to influence the Client in proposal evaluation, proposal comparison or contract award decisions may result in the rejection of the consultant’s proposal.
- 5.2 Evaluators of Technical Proposals shall have no access to the Financial Proposals until the technical evaluation is completed.

Evaluation of Technical Proposals

- 5.3 The evaluation committee appointed by the Client, as a whole, and each of its members individually, will evaluate the proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria, sub-criteria (typically not more than three per criteria), and point system specified in the Data Sheet. Each responsive proposal will be given a technical score (St). A proposal shall be rejected if it does not respond to important aspects of the Terms of Reference or if it fails to achieve the minimum technical score indicated in the Data Sheet.

Public Opening and Evaluation of Financial Proposals: Ranking (QCBS, Fixed-Budget, and Least-Cost Selection Methods Only)

- 5.4 In the case of Selection Based on Consultant's Qualifications, and Single-Source Selection, the highest ranked firm, or the firm selected on a single-source basis, is invited to negotiate a contract on the basis of the Technical Proposal and the Financial Proposal submitted in accordance with the instructions given in paragraph 1.2 and the Data Sheet.
- 5.5 After the evaluation of technical quality is completed, the Client shall notify those consultants whose proposals did not meet the minimum qualifying mark or were considered non-responsive to the RFP and Terms of Reference, indicating that their Financial Proposals will be returned unopened after completing the selection process. The Client shall simultaneously notify the consultants that have secured the minimum qualifying mark, indicating the date and time set for opening the Financial Proposals. The opening date shall not be sooner than two weeks after the notification date. The notification may be sent by registered letter, facsimile, or electronic mail.
- 5.6 The Financial Proposals shall be opened publicly in the presence of the consultants' representatives who choose to attend. The name of the consultant, the technical scores, and the proposed prices shall be read aloud and recorded as the Financial Proposals are opened. The Client shall prepare minutes of the public opening.
- 5.7 The evaluation committee will determine whether the Financial Proposals are complete (i.e., whether they have costed all items of the corresponding Technical Proposals; if not, the Client will cost them and add their cost to the initial price), correct any computational errors, and convert prices in various currencies to the single currency specified in the Data Sheet. The official selling rates used, provided by the source indicated in the Data Sheet, will be those in effect on the date indicated in the Data Sheet. The evaluation shall exclude those taxes, duties, fees, levies, and other charges imposed under the applicable law; and to be applied to foreign and non-permanent resident consultants (and to be paid under the contract, unless the consultant is exempted), and estimated as per paragraph 3.7.
- 5.8 In case of QCBS, the lowest priced Financial Proposal (F_m) will be given a financial score (S_f) of 100 points. The financial scores (S_f) of the other Financial Proposals will be computed as indicated in the Data Sheet. Proposals will be ranked according to their combined technical (S_t) and financial (S_f) scores using the weights (T = the weighting for the Technical Proposal; P = the weighting for the Financial Proposal as indicated in the Data Sheet. $T + P = 1$); The firm achieving the highest combined technical and financial score using the formula:

$$S = (S_t \times T\%) + (S_f \times P\%)$$

will be invited for negotiations.

- 5.9. In the case of Fixed-Budget Selection, the Client will select the firm that submitted the highest ranked Technical Proposal within the indicated budget price. Proposals that exceed the indicated budget will be rejected. In the case of the Least-Cost Selection, the Client will select the lowest priced proposal (“evaluated” price) among those that passed the minimum technical score. The selected firm will be invited for negotiations.

6. Negotiations

- 6.1 Negotiations will be held at the address indicated in the Data Sheet. The aim is to reach agreement on all points and sign a contract.
- 6.2 Negotiations will include a discussion of the Technical Proposal, the proposed methodology (work-plan), staffing, and any suggestions made by the firm to improve the Terms of Reference. The Client and firm will then agree final Terms of Reference, staffing, and bar charts indicating activities, staff, periods in the field and in the home office, staff-months, logistics, and reporting. The agreed work plan and final Terms of Reference will then be incorporated in the “Description of Services” and form part of the contract. Special attention will be paid to getting the most the firm can offer within the available budget and to clearly defining the inputs required from the Client to ensure satisfactory implementation of the assignment.
- 6.3 Financial negotiations will reflect agreed technical modifications in the cost of the services, and will include a clarification of the firm’s tax liability (if any) in the Republic of Yemen, and the manner in which it will be reflected in the contract. The financial negotiations will not normally involve either the remuneration rates for staff (no breakdown of fees), or other proposed unit rates under QCBS, Fixed-Budget Selection, or the Least-Cost Selection methods. For other methods of selection, an Appendix will be provided for the firm to explain the required information on remuneration rates.
- 6.4 Having selected the firm on the basis including an evaluation of proposed key professional staff, the Client expects to negotiate a contract on the basis of the experts named in the proposal. Before contract negotiations, the Client will require assurances that the experts will be actually available. The Client will not consider substitutions during contract negotiations unless both parties agree that undue delay in the selection process makes such substitution unavoidable or that such changes are critical to meet the objectives of the assignment. If this is not the case and if it is established that key staff were offered in the proposal without confirming their availability, the firm may be disqualified.

- 6.5 The negotiations will conclude with a review of the draft form of the contract. On completion of negotiations, the Client and the firm will initial the agreed contract. If negotiations fail, the Client will invite the firm whose proposal received the second highest score to negotiate a Contract.
- 7. Award of Contract**
- 7.1 The contract will be awarded following negotiations. After negotiations are completed, the Client will promptly notify other consultants on the shortlist that they were unsuccessful and return the unopened Financial Proposals of those consultants who did not pass the technical evaluation (paragraph 5.3).
- 7.2 The firm is expected to commence the assignment on the date and at the location specified in the Data Sheet.
- 8. Confidentiality**
- 8.1 Information relating to the evaluation of proposals and recommendations concerning awards shall not be disclosed to the consultants who submitted the proposals or to other persons not officially concerned with the process, until the winning firm has been notified that it has been awarded the contract.

Appendix:[†] Financial Negotiations; Breakdown of Staff Rates

APPENDIX TO INFORMATION TO CONSULTANTS

Financial Negotiations[†] **Breakdown of Remuneration Rates**

1. Review of Remuneration Rates

- 1.1 The remuneration rates for staff are made up of salary, social costs, overheads, fee that is profit, and any premium or allowance paid for assignments away from headquarters. To assist the firm in preparing for financial negotiations, a sample form giving a breakdown of rates is attached (no financial information should be included in the Technical Proposal). Agreed breakdown sheets shall form part of the negotiated contract.
- 1.2 The Client is charged with the custody of Government funds and is expected to exercise prudence in the expenditure of these funds. The Client is therefore concerned with the reasonableness of the firm's Financial Proposal, and, during negotiations, expects to be able to review audited financial statements backing up the firm's remuneration rates. The firm shall be prepared to disclose such audited financial statements for the last three years, to substantiate its rates, and accept that the proposed rates and other financial matters are subject to scrutiny. Rate details are discussed below.

(i) Salary

This is the gross regular cash salary paid to the individual in the firm's home office. It shall not contain any premium for work away from headquarters or bonus (except where these are included by law or government regulations).

(ii) Bonus

Bonuses are normally paid out of profits. Because the Client does not wish to make double payments for the same item, staff bonuses shall not normally be included in the rates. Where the consultant's accounting system is such that the percentages of social costs and overheads are based on total revenue, including bonuses, those percentages shall be adjusted downward accordingly. Where national policy requires that 13 months' pay be given for 12 months' work, the profit element need not be adjusted downward. Any discussions on bonuses shall be supported by audited documentation, which shall be treated as confidential.

(iii) Social Costs

Social costs are the costs to the firm of staff's non-monetary benefits. These items include, *inter-alia*, pension, medical and life insurance costs, and the cost of a staff

[†] Delete Appendix in the case of Quality- and Cost-Based Selection (QCBS), Fixed-Budget Selection, or Least-Cost Selection.

[†] Used under Quality-Based Selection, Selection Based on Qualifications, and Single-Source Selection.

member being sick or on vacation. In this regard, the cost of leave for public holidays is not an acceptable social cost nor is the cost of leave taken during an assignment if no additional staff replacement has been provided. Additional leave taken at the end of an assignment in accordance with the firm's leave policy is acceptable as a social cost.

(iv) Cost of Leave

The principles of calculating the cost of total days leave per annum as a percentage of basic salary shall normally be as follows:

$$\text{Leave cost as percentage of salary} = \frac{\text{total days leave} \times 100}{[365 - w - ph - v - s]}$$

Where w = weekends, ph = public holidays, v = vacation, and s = sick leave.

It is important to note that leave can be considered a social cost only if the Client is not directly charged for the leave taken.

(v) Overheads

Overhead expenses are the firm's business costs that are not directly related to the execution of the assignment and shall not be reimbursed as separate items under the contract. Typical items are home office costs (partner's time, non-billable time, time of senior staff monitoring the project, rent, support staff, research, staff training, marketing, etc.), the cost of staff not currently employed on revenue-earning projects, and business promotion costs. During negotiations, audited financial statements, certified as correct by an independent auditor and supporting the last three years' overheads, shall be available for discussion, together with detailed lists of items making up the overheads and the percentage by which each relates to basic salary. The Client will not accept an add-on margin for social charges, overhead expenses, etc., for staff who are not permanent employees of the firm. In such case, the firm shall be entitled only to administrative costs and fees on the monthly payments charged for subcontracted staff.

(vi) Fee or Profit

The fee or profit shall be based on the sum of the salary, social costs, and overhead. If any bonuses paid on a regular basis are listed, a corresponding reduction in the profit element shall be expected. Fee or profit shall not be allowed on travel or other reimbursable expenses, unless in the latter case an unusually large amount of equipment has to be procured. The firm shall note that payments shall be made against an agreed estimated payment schedule as described in the draft form of the contract.

(vii) Away from Headquarters Allowance or Premium

Some consultants pay allowances to staff working away from headquarters. Such allowances are calculated as a percentage of salary and shall not draw overheads or profit. Sometimes, by law, such allowances may draw social costs. In this case, the amount of this social cost shall still be shown under social costs, with the net allowance shown separately. This allowance, where paid, shall cover home education, etc. and similar items shall not be considered as reimbursable costs.

(viii) Subsistence Allowances

Subsistence allowances are not included in the fee rates, but are paid separately and in Yemeni Rials where practical. No additional subsistence is payable for dependents - the subsistence rate shall be the same for married and single team members.

UNDP standard rates for the Republic of Yemen may be used as reference to determine subsistence allowances.

2. Reimbursables

- 2.1 The financial negotiations shall further focus on such items as out-of-pocket expenses and other reimbursable expenses. These costs may include, but are not restricted to, cost of surveys, equipment, office rent, supplies, international and local travel, computer rental, mobilization and demobilization, insurance, and printing. These costs may be either fixed or reimbursable in foreign or local currency.

3. Bank Guarantee

- 3.1 Payments to the firm, including payment of any advance payment covered by a bank guarantee, shall be made according to an agreed estimated schedule ensuring the firm regular payments in local and foreign currency, as long as the services proceed as planned.

[Title of Consulting Services]
 [Procurement Number]
INFORMATION TO CONSULTANTS
BREAKDOWN OF AGREED FIXED RATES⁴
 [Currency: _____⁵]

Consultants		1	2	3	4	5	6	7	8
Name	Position	Basic Rate ⁷	Social Charge (__% of 1)	Overhead (__% of 1)	Subtotal	Fee (__% of 4)	Away from Headquarters Allowance (__% of 1)	Total Agreed Fixed Rate	Agreed Fixed Rate (__% of 1)
Project Staff in Yemen									
Staff in Home Office									

Signature of Consultant: _____

Date: _____

Authorized Representative: _____

Name: _____

Title: _____

⁴ This model form is given for negotiation purposes only. It is not part of the proposals (technical or financial).

⁵ If different currencies, a different table for each currency should be used.

⁷ Per month, day, or hour as appropriate.

Section 3 - Data Sheet

ITC Clause Reference

ITC Clause 1.1 The name of the Client is: _____

The method of selection is: _____

ITC Clause 1.2 Technical and Financial Proposals are requested [**or** *A Technical Proposal only is required*].

The name, and Procurement Number of the assignment are: _____

ITC Clause 1.3 The Client envisages the need for continuity for downstream work:
Yes No . [*If yes, outline in the TOR the scope, nature, and timing of future work*]

ITC Clause 1.4 A pre-proposal conference will be held: Yes ___ No ___ [*If yes, indicate date, time, and venue*] _____

The Client's representative is: _____

Address: _____

Telephone: _____ Facsimile: _____

E-mail: _____

ITC Clause 1.5 The Client will provide the following inputs: _____

ITC Clause 1.11 The clauses on fraud and corruption in the Contract are: _____

ITC Clause 2.1 Clarifications may be requested up to ___ [*insert number*] days before the submission date.

The address for requesting clarifications is: _____

Telex: _____ Facsimile: _____

Email: _____

ITC Clause 3.1 Proposals should be submitted in the Arabic [**or** *English*] language.

Section 3. Instruction to Consultants – Data Sheet

- ITC Clause 3.1 (i) Shortlisted Consultants may associate with other shortlisted Consultants:
Yes No _____
- ITC Clause 3.3(ii) The estimated number of professional staff-months required for the assignment is: _____ [*insert total number of man-months*].
or:
[*In the case of Fixed-Budget Selection*] The Financial Proposal shall not exceed the available budget of: _____ [*budgeted cost*].
- ITC Clause 3.3(iv) The minimum required experience of proposed professional staff is:
[*Insert job titles, number of years of professional experience and specific expertise required*] _____

- ITC Clause 3.3(vi) Reports that are required under the assignment shall be submitted in the [*Arabic or English*] language.
- ITC Clause 3.3(vii) Training is a specific component of this assignment: Yes ___ No ___ [*If yes, provide appropriate information*]: _____

- ITC Clause 3.4(viii) Additional information required in the Technical Proposal is: [*give list or state "none"*] _____

- ITC Clause 3.7 The following taxes, duties and fees should be identified in the Financial Proposal: [*insert list identifying type, liability and sources of information as necessary.*] _____
- ITC Clause 3.10 Proposals must remain valid for _____ [*days*] days after the submission date.
- ITC Clause 4.3 Consultants must submit an original and ___ [*number*] copies of each proposal.
- ITC Clause 4.4 The address for submission of proposals is: [*Full address of the Client for receipt of proposals*] _____

- ITC Clause 4.5 Proposals must be submitted no later than [*hours*] hours on [*date*].
- ITC Clause 5.1 The address for communications to the Client is: _____

Section 3. Instruction to Consultants – Data Sheet

ITC Clause 5.3 The number of points to be given under each of the technical evaluation criteria are:

	<u>Points</u>
(i) Specific experience of the consultants related to the assignment [Insert sub-criteria] [Insert sub-criteria] [Insert sub-criteria]	[5 - 10]
(ii) Adequacy of the proposed work plan and methodology in responding to the Terms of Reference [Insert sub-criteria] [Insert sub-criteria] [Insert sub-criteria]	[20 - 50]
(iii) Qualifications and competence of the key staff for the Assignment [Insert sub-criteria] [Insert sub-criteria] [Insert sub-criteria]	[30 - 60]
(iv) Suitability of the transfer of knowledge program (training) [Insert sub-criteria] [Insert sub-criteria] [Insert sub-criteria]	[0 - 10]
(v) Local participation (as reflected by nationals among key staff presented by foreign and local firms; maximum not to exceed 10 points) [Insert sub-criteria] [Insert sub-criteria] [Insert sub-criteria]	[0 - 10]
Total Points:	100

The number of points to be given under each evaluation sub-criteria for qualifications of staff under (iii) above are:

	<u>Points</u>
(i) General qualifications	[20 - 30]
(ii) Adequacy for the assignment	[50 - 60]
(iii) Experience in region & Arabic	[10 - 20]
Total Points:	100

The minimum technical score required to pass is [number of points] points.

ITC Clause 5.7 The single currency for price conversions is: _____[currency].

The source of official selling rates is: _____ [source].

The date of exchange rates is: _____ [date].

Section 3. Instruction to Consultants – Data Sheet

ITC Clause 5.8 The formula for determining the financial scores is: $Sf = 100 \times Fm/F$
Where Sf is the financial score, Fm is the lowest price and F the price of the proposal under consideration.

The weights given to the technical and Financial Proposals are:
Technical = _____ [*Normally between 0.6 and 0.8*], and
Financial = _____ [*Normally between 0.4 and 0.2*]

ITC Clause 6.1 Negotiations will be held at : _____

ITC Clause 7.2 The assignment is expected to commence on [*date*] at [*location*]: _____

Section 4. Technical Proposal - Standard Forms

- 4A. Technical Proposal submission form.
- 4B. Firm's references.
- 4C. Comments and suggestions of consultants on the Terms of Reference and on data, services, and facilities to be provided by the Client.
- 4D. Description of the methodology and work plan for performing the assignment.
- 4E. Team composition and task assignments.
- 4F. Format of curriculum vitae (CV) for proposed professional staff.
- 4G. Time schedule for professional personnel.
- 4H. Activity (work) schedule.

4A. TECHNICAL PROPOSAL SUBMISSION FORM

[*Location, Date*]

To: [*Name and address of Client*]

Gentlemen:

We, the undersigned, offer to provide the consulting services for [*Title of consulting services and Procurement Number*] in accordance with your Request for Proposals dated [*Date*] and our Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial^v Proposal sealed under a separate envelope.

If negotiations are held during the period of validity of the Proposal, i.e., before [*Date*] we undertake to negotiate on the basis of the proposed staff. Our Proposal is binding upon us and subject to the modifications resulting from Contract negotiations.

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature:
Name and Title of Signatory:
Name of Firm:
Address:

^v In Quality-Based Selection, the proposal may include only a Technical Proposal. If this is the case, delete “and a Financial Proposal sealed under a separate envelope.”

4B. FIRM'S REFERENCES

Relevant Services Carried Out in the Last Five Years That Best Illustrate Qualifications

Using the format below, provide information on each assignment for which your firm/entity, either individually as a corporate entity or as one of the major companies within an association, was legally contracted.

Assignment Name:		Country:
Location within Country:		Professional Staff Provided by Your Firm/Entity(profiles):
Name of Client:		No. of Staff:
Address:		No. of Staff-Months; Duration of Assignment:
Start Date (Month/Year):	Completion Date (Month/Year):	Approx. Value of Services (in Current US\$):
Name of Associated Consultants, If Any:		No. of Months of Professional Staff Provided by associated Consultants:
Name of Senior Staff (Project Director/Coordinator, Team Leader) Involved and Functions Performed:		
Narrative Description of Project:		
Description of Actual Services Provided by Your Staff:		

Firm's Name: _____

4C. COMMENTS AND SUGGESTIONS OF CONSULTANTS ON THE TERMS OF REFERENCE AND ON DATA, SERVICES, AND FACILITIES TO BE PROVIDED BY THE CLIENT

On the Terms of Reference:

- 1.
- 2.
- 3.
- 4.
- 5.

On the data, services, and facilities to be provided by the Client:

- 1.
- 2.
- 3.
- 4.
- 5.

**4D. DESCRIPTION OF THE METHODOLOGY AND WORK PLAN FOR
PERFORMING THE ASSIGNMENT**

4E. TEAM COMPOSITION AND TASK ASSIGNMENTS

1. Technical/Managerial Staff		
Name	Position	Task

2. Support Staff		
Name	Position	Task

4F. FORMAT OF CURRICULUM VITAE (CV) FOR PROPOSED PROFESSIONAL STAFF

Proposed Position: _____

Name of Firm: _____

Name of Staff: _____

Profession: _____

Date of Birth: _____

Years with Firm/Entity: _____ Nationality: _____

Membership in Professional Societies: _____

Detailed Tasks Assigned: _____

Key Qualifications:

[Give an outline of staff member's experience and training most pertinent to tasks on assignment. Describe degree of responsibility held by staff member on relevant previous assignments and give dates and locations. Use about half a page.]

Education:

[Summarize college/university and other specialized education of staff member, giving names of schools, dates attended, and degrees obtained. Use about one quarter of a page.]

Languages:

[For each language indicate proficiency: excellent, good, fair, or poor in speaking, reading, and writing.]

Employment Record:

[Starting with present position, list in reverse order every employment held. List all positions held by staff member since graduation, giving dates, names of employing organizations, titles of positions held, and locations of assignments. For experience in last ten years, also give types of activities performed and client references, where appropriate. Use about two pages.]

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience.

_____ Date: _____
[Signature of staff member and authorized representative of the firm] Day/Month/Year

Full name of staff member: _____

Full name of authorised representative: _____

4G. TIME SCHEDULE FOR PROFESSIONAL PERSONNEL

Name	Position	Reports Due/Activities	Months (in the Form of a Bar Chart)												Number of Months		
			1	2	3	4	5	6	7	8	9	10	11	12			
																Subtotal (1)	
																	Subtotal (2)
																	Subtotal (3)
																	Subtotal (4)

Full-time: [key]

Part-time: [key]

Reports Due: [key]

Activities Duration: [key]

Signature: _____

(Authorized representative)

Full Name: _____

Title: _____

Address: _____

4H. ACTIVITY (WORK) SCHEDULE

A. Field Investigation and Study Items

	<i>[1st, 2nd, etc. are months from the start of assignment.]</i>											
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
Activity (Work)												

B. Completion and Submission of Reports

Reports	Date
1. Inception Report	
2. Interim Progress Report (a) First Status Report (b) Second Status Report	
3. Draft Final Report	
4. Final Report	

Section 5. Financial Proposal - Standard Forms

- 5A. Financial Proposal submission form.
- 5B. Summary of costs.
- 5C. Breakdown of price per activity.
- 5D. Breakdown of remuneration per activity.
- 5E. Reimbursables per activity.
- 5F. Miscellaneous expenses.

5A. FINANCIAL PROPOSAL SUBMISSION FORM

[Date]

To: [Name and address of Client]

Gentlemen:

We, the undersigned, offer to provide the consulting services for [Title of consulting services and Procurement Number] in accordance with your Request for Proposals dated [Date] and our Proposal (Technical and Financial Proposals). Our attached Financial Proposal is for the sum of [Amount in words and figures]. This amount is exclusive of the local taxes, which we have estimated at [Amount(s) in words and figures].

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal, i.e., [Date].

Commissions and gratuities, if any, paid or to be paid by us to agents relating to this Proposal and Contract execution, if we are awarded the Contract, are listed below:

Name and Address of Agents	Amount and Currency	Purpose of Commission or Gratuity
_____	_____	_____
_____	_____	_____
_____	_____	_____

We understand you are not bound to accept any Proposal you receive.

Yours sincerely,

Authorised Signature:
Name and Title of Signatory:
Name of Firm:
Address:

5B. SUMMARY OF COSTS

Costs	Currency(ies) [^]	Amount(s)
Subtotal		
Local Taxes		_____
Total Amount of Financial Proposal		

[^] Maximum of three currencies in addition to Yemeni Rials.

5C. BREAKDOWN OF PRICE PER ACTIVITY

Activity No.: _____

Description: _____

Price Component	Currency(ies)	Amount(s)
Remuneration		
Reimbursables		
Miscellaneous Expenses		
Subtotal		_____

5D. BREAKDOWN OF REMUNERATION PER ACTIVITY

Activity No. _____

Activity Name: _____

Names	Position	Input ^a	Remuneration Currency(ies) Rate	Amount
Regular staff				
Local staff				
Consultants				
Grand Total				_____

^a Staff months, days, or hours as appropriate.

5E. REIMBURSABLES PER ACTIVITY

Activity No: _____

Name of Activity: _____

Item No.	Description	Unit	Quantity	Currency	Unit Price	Total Amount
1.	International flights	Trip				
2.	Miscellaneous travel expenses	Trip				
3.	Subsistence allowance	Day				
4.	Local transportation costs ¹					
5.	Office rent/accommodation/ clerical assistance					
	Grand Total					_____

¹ Local transportation costs are not included if local transportation is being made available by the Client. Similarly, in the project site, office rent/accommodations/clerical assistance costs are not to be included if being made available by the Client.

5F. MISCELLANEOUS EXPENSES

Activity No. _____

Activity Name: _____

Item No.	Description	Unit	Quantity	Currency	Unit Price	Total Amount
1.	Communication costs between _____ and _____ (telephone, telegram, telex)					
2.	Drafting, reproduction of reports					
3.	Equipment: vehicles, computers, etc.					
4.	Software					
	Grand Total					_____

Section 6. Terms of Reference

Section 7. Standard Form of Contract

FORM OF CONTRACT

Consultant Services

Complex Time-Based Assignments

[Title of the Assignment]

between

[Name of the Client]

and

[Name of the Consultants]

Procurement Number: _____

Dated: _____

Contents

CONTENTS.....	0
I. FORM OF CONTRACT	2
II. GENERAL CONDITIONS OF CONTRACT	4
1.....	GENERAL PROVISIONS 4
1.1.....	Definitions 4
1.2.....	Relation between the Parties 5
1.3.....	Law Governing Contract 5
1.4.....	Language 5
1.5.....	Headings 5
1.6.....	Notices 5
1.7.....	Location 5
1.8.....	Authority of Member in Charge 6
1.9.....	Authorised Representatives 6
1.10.....	Taxes and Duties 6
2. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF CONTRACT	6
2.1.....	Effectiveness of Contract 6
2.2.....	Termination of Contract for Failure to Become Effective 6
2.3.....	Commencement of Services 6
2.4.....	Expiration of Contract 6
2.5.....	Entire Agreement 6
2.6.....	Modification 6
2.7.....	Force Majeure 7
2.7.1 Definition	7
2.7.2 No Breach of Contract	7
2.7.3 Measures to be Taken.....	7
2.7.4 Extension of Time.....	7
2.7.5 Payments.....	8
2.7.6 Consultation.....	8
2.8.....	Suspension 8
2.9.....	Termination 8
2.9.1 By the Client	8
2.9.2 By the Consultants	9
2.9.3 Cessation of Rights and Obligations	10
2.9.4 Cessation of Services	10
2.9.5 Payment upon Termination.....	10
2.9.6 Disputes about Events of Termination	10
3. OBLIGATIONS OF THE CONSULTANTS	10
3.1.....	General 10
3.1.1 Standard of Performance.....	10
3.1.2 Law Governing Services	11
3.2.....	Conflict of Interests 11
3.2.1 Consultants Not to Benefit from Commissions, Discounts, etc.	11
3.2.2 Compliance with Procurement Rules	11
3.2.3 Consultants and Affiliates Not to Engage in Certain Activities	11
3.2.4 Prohibition of Conflicting Activities	11
3.3.....	Confidentiality 12
3.4.....	Liability of the Consultants 12
3.5.....	Insurance to be Taken Out by the Consultants 12
3.6.....	Accounting, Inspection and Auditing 12

Section 7. Standard Form of Contract - Form of Contract

3.7.....	Consultants' Actions Requiring Client's Prior Approval	12
3.8.....	Reporting Obligations	13
3.9.....	Documents Prepared by the Consultants to be the Property of the Client	13
3.10.....	Equipment and Materials Furnished by the Client	13
4.	CONSULTANTS' PERSONNEL AND SUBCONSULTANTS	13
4.1.....	General	13
4.2.....	Description of Personnel	13
4.3.....	Approval of Personnel	14
4.4.....	Working Hours, Overtime, Leave, etc.	14
4.5.....	Removal and/or Replacement of Personnel	14
4.6.....	Resident Project Manager	15
5.	OBLIGATIONS OF THE CLIENT	15
5.1.....	Assistance and Exemptions	15
5.2.....	Access to Land	16
5.3.....	Change in the Applicable Law	16
5.4.....	Services, Facilities and Property of the Client	16
5.5.....	Payment	16
5.6.....	Counterpart Personnel	16
6.	PAYMENTS TO THE CONSULTANTS	17
6.1.....	Cost Estimates; Ceiling Amount	17
6.2.....	Remuneration and Reimbursable Expenditures	17
6.3.....	Currency of Payment	18
6.4.....	Mode of Invoicing and Payment	20
7.	FAIRNESS AND GOOD FAITH	22
7.1.....	Good Faith	22
7.2.....	Operation of the Contract	22
8.	SETTLEMENT OF DISPUTES	22
8.1.....	Amicable Settlement	22
8.2.....	Dispute Settlement	22
III.	SPECIAL CONDITIONS OF CONTRACT	23
	GCC Clause 3.5	25
	MODEL FORM I	27
	MODEL FORM II	28
IV.	APPENDICES	29
	APPENDIX A—DESCRIPTION OF THE SERVICES	29
	APPENDIX B—REPORTING REQUIREMENTS	29
	APPENDIX C—KEY PERSONNEL AND SUBCONSULTANTS	29
	APPENDIX D—MEDICAL CERTIFICATE	30
	APPENDIX E—HOURS OF WORK FOR KEY PERSONNEL	30
	APPENDIX F—DUTIES OF THE CLIENT	30
	APPENDIX G—COST ESTIMATES IN FOREIGN CURRENCY	30
	APPENDIX H—COST ESTIMATES IN YEMENI RIALS	31
	APPENDIX I—FORM OF BANK GUARANTEE FOR ADVANCE PAYMENTS	32

I. Form of Contract

COMPLEX TIME-BASED ASSIGNMENTS

This CONTRACT (hereinafter called the “Contract”) is made the [day] day of the month of [month], [year], between, on the one hand, [name of client] (hereinafter called the “Client”) and, on the other hand, [name of consultants] (hereinafter called the “Consultants”).

[Note: If the Consultants consist of more than one entity, the above should be partially amended to read as follows: “...(hereinafter called the “Client”) and, on the other hand, a joint venture consisting of the following entities, each of which will be jointly and severally liable to the Client for all the Consultants’ obligations under this Contract, namely, [name of consultants] and [name of consultants] (hereinafter called the “Consultants”).]

WHEREAS

- (a) the Client has requested the Consultants to provide certain consulting services as defined in the Terms of Reference attached to this Contract (hereinafter called the “Services”);
- (b) the Consultants, having represented to the Client that they have the required professional skills, and personnel and technical resources, have agreed to provide the Services on the terms and conditions set forth in this Contract;
- (c) the Client has received funding towards the cost of the Services and intends to apply a portion of this funding to eligible payments under this Contract.

NOW THEREFORE the parties hereto hereby agree as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:

- (a) The General Conditions of Contract;
- (b) The Special Conditions of Contract;
- (c) The following Appendices: *[Note: If any of these Appendices are not used, the words “Not Used” should be inserted below next to the title of the Appendix and on the sheet attached hereto carrying the title of that Appendix.]*

Appendix A: Terms of Reference/Description of the Services

Appendix B: Reporting Requirements

Appendix C: Key Personnel and Subconsultants

Appendix D: Medical Certificate

Appendix E: Hours of Work for Key Personnel

Appendix F: Duties of the Client

Appendix G: Cost Estimates in Foreign Currency

Appendix H: Cost Estimates in Yemeni Rials

Appendix I: Form of Guarantee for Advance Payments

2. The mutual rights and obligations of the Client and the Consultants shall be as set forth in the Contract, in particular:

Section 7. Standard Form of Contract - Form of Contract

- (a) the Consultants shall carry out the Services in accordance with the provisions of the Contract; and
- (b) the Client shall make payments to the Consultants in accordance with the provisions of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names as of the day and year first above written.

For and on behalf of *[name of Client]*

[Authorized Representative]

For and on behalf of *[name of consultants]*

[Authorized Representative]

[Note: *If the Consultants consist of more than one entity, all these entities should appear as signatories, e.g., in the following manner:*]

For and on behalf of each of the Members of the Consultants

[name of member]

[Authorized Representative]

[name of member]

[Authorized Representative]

II. General Conditions of Contract

1. GENERAL PROVISIONS

1.1 Definitions

Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

- (a) “Applicable Law” means the Tenders Bidding and Auctions law and its Executive Regulation and any other instruments having the force of law for applying the conditions on the contract;
- (b) “Contract” means the agreement, signed between the client and the consultant according to the Form of Contract including all the appendices mentioned in that agreement;
- (c) “Effective Date” means the date on which this Contract comes into force and effect pursuant to GCC Clause 2.1;
- (d) “Foreign Currency” means any currency other than Yemeni Rials;
- (e) “GCC” means these conditions contained in this section that must be commitment by the client and the consultant;
- (f) “Government” means the Government of the Republic of Yemen;
- (g) “Local Currency” means Yemeni Rials;
- (h) “Member,” in case the Consultants consist of a joint venture of more than one entity, means any of these entities; and “Members” means all these entities; “Members” means all these entities, and “Member in Charge” means the entity specified in the SCC to act on their behalf in exercising all the Consultants’ rights and obligations towards the Client under this Contract;
- (i) “Party” means the Client or the Consultants, as the case may be, and “Parties” means both of them;
- (j) “Personnel” means persons hired by the Consultants or by any Subconsultant as employees and assigned to the performance of the Services or any part thereof; “Foreign Personnel” means such persons who at the time of being so hired had their domicile outside the Republic of Yemen; “Local Personnel” means such persons who at the time of being so hired had their domicile within the Republic of Yemen; and “Key Personnel” means the Personnel referred to in GCC Clause 4.2(a);
- (k) “SCC” means the set of rules that are compatible with the format

and type of consultancy services and do not conflict with the provisions of the Law and Regulations;

- (l) “Services” means the work to be performed by the Consultants pursuant to this Contract, as described in Appendix A hereto;
- (m) “Subconsultant” means any person or entity to whom/which the Consultants subcontract any part of the Services in accordance with the provisions of GCC Clause 3.7;
- (n) “Third Party” means any person or entity other than the Client, the Consultants or a Subconsultant.

- 1.2 Relation between the Parties** Nothing contained herein shall be construed as establishing a relation of master and servant or of principal and agent as between the Client and the Consultants. The Consultants, subject to this Contract, have complete charge of Personnel and Subconsultants, if any, performing the Services and shall be fully responsible for the Services performed by them or on their behalf.
- 1.3 Law Governing Contract** This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Law.
- 1.4 Language** This Contract has been executed in the language specified in the SCC, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.
- 1.5 Headings** The headings shall not limit, alter or affect the meaning of this Contract.
- 1.6 Notices**
 - 1.6.1 Any notice, request or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorised representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram or facsimile to such Party at the address specified in the SCC.
 - 1.6.2 Notice will be deemed to be effective on delivery by person or by registered mail, and twenty-four (24) hours after confirmed transmission in the case of telex, telegram or facsimile, unless otherwise specified in the SCC.
 - 1.6.3 A Party may change its address for notices by giving the other Party notice of such change pursuant to the provisions of GCC Clause 1.6.1 and 1.6.2.
- 1.7 Location** The Services shall be performed at such locations as are specified in Appendix A hereto and, where the location of a particular task is not specified, at such locations, whether in the Republic of Yemen or

elsewhere, as the Client may approve.

- 1.8 Authority of Member in Charge** If the Consultants consist of a joint venture of more than one entity, the Members hereby authorise the entity specified in the SCC to act on their behalf in exercising all the Consultants' rights and obligations towards the Client under this Contract, including without limitation the receiving of instructions and payments from the Client.
- 1.9 Authorised Representatives** Any action required or permitted to be taken, and any document required or permitted to be executed, under this Contract by the Client or the Consultants may be taken or executed by the officials specified in the SCC.
- 1.10 Taxes and Duties** Unless otherwise specified in the SCC, the Consultants, Subconsultants and Personnel shall pay such taxes, duties, fees and other impositions as may be levied under the Applicable Law.

2. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF CONTRACT

- 2.1 Effectiveness of Contract** This Contract shall come into force and effect on the date (the "Effective Date") of the Client's Letter of Acceptance instructing the Consultants to begin carrying out the Services. This notice shall confirm that the effectiveness conditions, if any, listed in the SCC have been met.
- 2.2 Termination of Contract for Failure to Become Effective** If this Contract has not become effective within one month or such other period as may be specified in the SCC, after the Effective Date of the Contract, either Party may, by not less than four (4) weeks' written notice to the other Party, declare this Contract to be null and void, and in the event of such a declaration by either Party, neither Party shall have any claim against the other Party with respect hereto.
- 2.3 Commencement of Services** The Consultants shall begin carrying out the Services at the end of such time period after the Effective Date as shall be specified in the SCC.
- 2.4 Expiration of Contract** Unless terminated earlier pursuant to GCC Clause 2.9, this Contract shall terminate at the end of such time period after the Effective Date as shall be specified in the SCC.
- 2.5 Entire Agreement** This Contract contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth within the Contract.
- 2.6 Modification** Modification of the terms and conditions of this Contract, including any modification of the scope of the Services, may only be made by written agreement between the Parties. However, pursuant to GCC

Clause 7.2, each Party shall give due consideration to any proposals for modification made by the other Party.

2.7 Force Majeure

2.7.1 Definition

- (a) For the purposes of this Contract, “Force Majeure” means an event which is beyond the reasonable control of a Party, and which makes a Party’s performance of its obligations under the Contract impossible or so impractical as reasonably to be considered impossible in the circumstances. Force Majeure includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other adverse weather conditions, strikes, lockouts or other industrial action (except where such strikes, lockouts or other industrial action are within the power of the Party invoking Force Majeure to prevent), confiscation or any other action by government agencies.
- (b) Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or such Party’s Subconsultants or agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected to both (A) take into account at the time of the conclusion of this Contract and (B) avoid or overcome in the carrying out of its obligations under this Contract.
- (c) Force Majeure shall not include insufficiency of funds or failure to make any payment required under the Contract.

2.7.2 No Breach of Contract

The failure of a Party to fulfill any of its obligations shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, with the objective of carrying out the terms and conditions of this Contract.

2.7.3 Measures to be Taken

- (a) A Party affected by an event of Force Majeure shall take all reasonable measures to remove the inability to fulfill its obligations under the Contract with a minimum of delay.
- (b) A Party affected by an event of Force Majeure shall notify the other Party as soon as possible, not later than fourteen (14) days following the occurrence, providing evidence of the nature and cause of such event, and shall similarly give notice of the restoration of normal conditions as soon as possible.
- (c) The Parties shall take all reasonable measures to minimize the consequences of any event of Force Majeure.

2.7.4 Extension of

Any period within which a Party shall, pursuant to this Contract,

- Time** complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action or task as a result of Force Majeure.
- 2.7.5 Payments** During the period of inability to perform the Services as a result of an event of Force Majeure, the Consultants shall be entitled to continue to be paid under the terms of this Contract as well as to be reimbursed for additional costs reasonably and necessarily incurred by them during such period for the purposes of the Services and in reactivating the Services after the end of such period.
- 2.7.6 Consultation** Not later than thirty (30) days after the Consultants, as the result of an event of Force Majeure, have become unable to perform a material portion of the Services, the Parties shall consult with each other to agree appropriate measures to be taken..
- 2.8 Suspension** The Client may, by written notice of suspension to the Consultants, suspend all payments to the Consultants if the Consultants fail to perform any of their obligations under this Contract, including the carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the failure, and (ii) shall request the Consultants to remedy such failure within a period not exceeding thirty (30) days after receipt by the Consultants of such notice of suspension.
- 2.9 Termination**
- 2.9.1 By the Client** The Client may terminate this Contract, by giving not less than thirty (30) days' written notice of termination to the Consultants (except in the event listed in paragraph (f) below, for which there shall be a written notice of not less than sixty (60) days), such notice to be given after the occurrence of any of the events specified in paragraphs (a) through (g) as follows:
- (a) if the Consultants fail to remedy a failure in the performance of their obligations under the Contract, as specified in a notice of suspension pursuant to GCC Clause 2.8, within thirty (30) days of receipt of such notice of suspension, or within such further period as the Client may have subsequently approved in writing;
 - (b) if the Consultants (or, if the Consultants consist of more than one entity, if any of their Members) becomes insolvent or bankrupt or enters into any agreements with their creditors for relief of debt or take advantage of any law for the benefit of debtors or go into liquidation or receivership whether compulsory or voluntary;
 - (c) if the Consultants fail to comply with any final decision reached as a result of arbitration proceedings pursuant to GCC

Clause 8;

- (d) if the Consultants submit to the Client a statement which has a material effect on the rights, obligations or interests of the Client and which the Consultants know to be false;
- (e) if, as the result of Force Majeure, the Consultants are unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- (f) if the Client, in its sole discretion and for any reason whatsoever, decides to terminate this Contract.
- (g) if the Consultant, in the judgment of the Client, has engaged in corrupt or fraudulent practices in competing for or in executing the Contract. For the purpose of this clause:

“corrupt practice” means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution.

“fraudulent practice” means a misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the Client, and includes collusive practice among consultants (prior to or after submission of proposals) designed to establish prices at artificial non-competitive levels and to deprive the Client of the benefits of free and open competition.

2.9.2 By the Consultants

The Consultants may terminate this Contract, by not less than thirty (30) days’ written notice to the Client, such notice to be given after the occurrence of any of the events specified in paragraphs (a) through (d) as follows:

- (a) if the Client fails to pay any money due to the Consultants pursuant to this Contract and not subject to dispute pursuant to GCC Clause 8, within forty-five (45) days after receiving written notice from the Consultants that such payment is overdue;
- (b) if the Client is in material breach of its obligations pursuant to this Contract and has not remedied the same within forty-five (45) days (or such longer period as the Consultants may have subsequently approved in writing) following the receipt by the Client of the Consultants’ notice specifying such breach;
- (c) if, as the result of Force Majeure, the Consultants are unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- (d) if the Client fails to comply with any final decision reached as a

result of arbitration pursuant to GCC Clause 8.

- 2.9.3 Cessation of Rights and Obligations** On termination of this Contract pursuant to GCC Clauses 2.2 or 2.9, or on expiration of the Contract pursuant to GCC Clause 2.4, all rights and obligations of the Parties hereunder shall cease, except (i) such rights and obligations as may have accrued by the date of termination or expiration, (ii) the obligation of confidentiality set forth in GCC Clause 3.3, (iii) the Consultants' obligation to permit inspection, copying and auditing of their accounts and records set forth in GCC Clause 3.6(ii), and (iv) any right which a Party may have under the Applicable Law.
- 2.9.4 Cessation of Services** On termination of this Contract by notice of either Party to the other pursuant to GCC Clauses 2.9.1 or 2.9.2, the Consultants shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents prepared by the Consultants and equipment and materials furnished by the Client, the Consultants shall proceed as provided, respectively, by GCC Clauses 3.9 or 3.10.
- 2.9.5 Payment upon Termination** On termination of this Contract pursuant to GCC Clauses 2.9.1 or 2.9.2, the Client shall make the following payments to the Consultants:
- (a) remuneration pursuant to GCC Clause 6 for Services satisfactorily performed prior to the effective date of termination;
 - (b) reimbursable expenditures pursuant to GCC Clause 6 for expenditures actually incurred prior to the effective date of termination; and
 - (c) except in the case of termination pursuant to paragraphs (a) through (d) of GCC Clause 2.9.1, reimbursement of any reasonable cost incident to the prompt and orderly termination of the Contract including the cost of the return travel of the Personnel and their eligible dependents.
- 2.9.6 Disputes about Events of Termination** If either Party disputes whether an event specified in paragraphs (a) through (e) of GCC Clause 2.9.1 or in GCC Clause 2.9.2 has occurred, such Party may, within forty-five (45) days after receipt of notice of termination from the other Party, refer the matter to arbitration pursuant to GCC Clause 8, and this Contract shall not be terminated on account of such event except in accordance with the terms of any resulting arbitration award.

3. OBLIGATIONS OF THE CONSULTANTS

3.1 General

- 3.1.1 Standard of** The Consultants shall perform the Services and carry out their

Performance obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted professional techniques and practices, and shall observe sound management practices, and employ appropriate advanced technology and safe and effective equipment, machinery, materials and methods. The Consultants shall always act, in respect of any matter relating to this Contract or to the Services, as faithful advisers to the Client, and shall at all times support and safeguard the Client's legitimate interests in any dealings with Subconsultants or Third Parties.

3.1.2 Law Governing Services The Consultants shall perform the Services in accordance with the Applicable Law and shall take all practicable steps to ensure that any Subconsultants, as well as the Personnel of the Consultants and any Subconsultants, comply with the Applicable Law. The Client shall notify the Consultants in writing of relevant local customs, and the Consultants shall, after such notification, respect such customs.

3.2 Conflict of Interests

3.2.1 Consultants Not to Benefit from Commissions, Discounts, etc. The remuneration of the Consultants pursuant to GCC Clause 6 shall constitute the Consultants' sole remuneration in connection with this Contract or the Services and, subject to GCC Clause 3.2.2, the Consultants shall not accept for their own benefit any trade commission, discount or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations hereunder. The Consultants shall use their best efforts to ensure that any Subconsultants, as well as the Personnel and agents of either of them, similarly shall not receive any such additional remuneration.

3.2.2 Compliance with Procurement Rules If the Consultants, as part of the Services, have the responsibility of advising the Client on the procurement of goods, works or services, the Consultants shall comply with the Republic of Yemen procurement regulations and at all times exercise such responsibility in the best interest of the Client. Any discounts or commissions obtained by the Consultants in the exercise of such procurement responsibility shall be for the account of the Client.

3.2.3 Consultants and Affiliates Not to Engage in Certain Activities The Consultants agree that, during the term of this Contract and after its termination, the Consultants and any entity affiliated with the Consultants, as well as any Subconsultant and any entity affiliated with such Subconsultant, shall be disqualified from providing goods, works or services (other than the Services and any continuation thereof) for any project resulting from or closely related to the Services.

3.2.4 Prohibition of Conflicting Activities The Consultants shall not engage, and shall cause their Personnel as well as their Subconsultants and their Personnel not to engage, either directly or indirectly, in any of the following activities:

- (a) during the term of this Contract, any business or professional

activities in the Republic of Yemen which would conflict with the activities assigned to them under this Contract; and

- (b) after the termination of this Contract, such other activities as may be specified in the SCC.

- 3.3 Confidentiality** The Consultants, their Subconsultants and the Personnel of either of them shall not, either during the term or within two (2) years after the expiration of this Contract, disclose any proprietary or confidential information relating to the Services, this Contract or the Client's business or operations without the prior written consent of the Client.
- 3.4 Liability of the Consultants** Subject to additional provisions, if any, set forth in the SCC, the Consultants' liability under this Contract shall be as provided by the Applicable Law.
- 3.5 Insurance to be Taken Out by the Consultants** The Consultants (i) shall take out and maintain, and shall cause any Subconsultants to take out and maintain, at their own cost but on terms and conditions approved by the Client, insurance against the risks, and for the coverage, specified in the SCC, and (ii) at the Client's request, shall provide evidence to the Client showing that such insurance has been taken out and maintained and that the current premiums thereof have been paid.
- 3.6 Accounting, Inspection and Auditing** The Consultants (i) shall keep accurate and systematic accounts and records in respect of the Services hereunder, in accordance with internationally accepted accounting principles and in such form and detail as will clearly identify all relevant time charges and costs, and the bases thereof (including such bases as may be specifically referred to in the SCC), and (ii) shall permit the Client or its designated representative, up to one year from the expiration or termination of this Contract, to inspect the same and make copies thereof as well as to have them audited by auditors appointed by the Client.
- 3.7 Consultants' Actions Requiring Client's Prior Approval** The Consultants shall obtain the Client's prior approval in writing before taking any of the following actions:
- (a) appointing such members of the Personnel as are listed in Appendix C merely by title but not by name;
 - (b) entering into a subcontract for the performance of any part of the Services, it being understood (i) that the selection of the Subconsultant and the terms and conditions of the subcontract shall have been approved in writing by the Client prior to the execution of the subcontract, and (ii) that the Consultants shall remain fully liable for the performance of the Services by the Subconsultant and its Personnel pursuant to this Contract;
 - (c) any other action that may be specified in the SCC.

- 3.8 Reporting Obligations** The Consultants shall submit to the Client the reports and documents specified in Appendix B hereto, in the form, in the numbers and within the time periods set forth in the said Appendix.
- 3.9 Documents Prepared by the Consultants to be the Property of the Client** All plans, drawings, specifications, designs, reports, other documents and software prepared by the Consultants for the Client under this Contract shall become and remain the property of the Client, and the Consultants shall, not later than upon termination or expiration of this Contract, deliver all such documents to the Client, together with a detailed inventory thereof. The Consultants may retain a copy of such documents and software. Restrictions on the future use of these documents and software, if any, shall be specified in the SCC.
- 3.10 Equipment and Materials Furnished by the Client** Equipment and materials made available to the Consultants by the Client, or purchased by the Consultants with funds provided by the Client, shall be the property of the Client and shall be marked accordingly. On termination or expiration of this Contract, the Consultants shall provide the Client with an inventory of such equipment and materials and shall dispose of such equipment and materials in accordance with the Client's instructions. While in possession of such equipment and materials, the Consultants, unless otherwise instructed by the Client in writing, shall insure them at the expense of the Client in an amount equal to their full replacement value.

4. CONSULTANTS' PERSONNEL AND SUBCONSULTANTS

- 4.1 General** The Consultants shall employ and provide such qualified and experienced Personnel and Subconsultants as are required to carry out the Services.
- 4.2 Description of Personnel**
- (a) The title, job description, minimum qualification and estimated period of engagement in the carrying out of the Services of each of the Consultants' Key Personnel are described in Appendix C. Any Key Personnel approved by the Client shall be named in the list.
 - (b) If required to comply with the provisions of GCC Clause 3.1.1, adjustments to the estimated periods of engagement of Key Personnel set forth in Appendix C may be made by the Consultants by written notice to the Client, provided (i) that such adjustments shall not alter the original estimated period of engagement of any individual by more than 10% or one week, whichever is greater, and (ii) that the aggregate of such adjustments shall not cause payments under this Contract to exceed the ceilings set forth in GCC Clause 6.1(b). Any other such adjustments shall only be made with the Client's written approval.

- (c) If additional work is required beyond the Terms of Reference specified in Appendix A, the estimated periods of engagement of Key Personnel set forth in Appendix C may be increased by agreement in writing between the Client and the Consultants, provided that any such increase shall not, except as otherwise agreed in writing, cause payments under this Contract to exceed the ceilings set forth in GCC Clause 6.1(b).

4.3 Approval of Personnel

The Key Personnel and Subconsultants listed by position and by name in Appendix C are hereby approved by the Client. In respect of other Key Personnel which the Consultants propose to use in the carrying out of the Services, the Consultants shall submit to the Client for review and approval a copy of their biographical data (for Key Personnel which will work in Yemen) an approved copy of medical certificate as specified in Appendix D. If the Client does not object in writing (stating the reasons for the objection) within twenty-one (21) calendar days from the date of receipt of such biographical data, such Key Personnel shall be deemed to have been approved by the Client.

4.4 Working Hours, Overtime, Leave, etc.

- (a) Working hours and holidays for Key Personnel are set forth in Appendix E hereto. To account for travel time, foreign Personnel carrying out Services inside the Republic of Yemen shall be deemed to have commenced (or finished) work in respect of the Services such number of days before their arrival in (or after their departure from) the Republic of Yemen as specified in Appendix E hereto.
- (b) Key Personnel shall not be entitled to overtime payments nor to take paid sick leave or vacation leave except as specified in Appendix E. The Consultants' remuneration shall be deemed to cover these items unless otherwise specified in Appendix E. All leave to be allowed to the Personnel is included in the staff-months of service set forth in Appendix C. All leave taken by Personnel shall be subject to prior approval by the Consultants who shall ensure that absences for leave will not delay the progress and adequate supervision of the Services.

4.5 Removal and/or Replacement of Personnel

- (a) No changes shall be made in the Key Personnel except with the approval of the Client. If, for any reason beyond the reasonable control of the Consultants, it becomes necessary to replace any of the Personnel, the Consultants shall provide as a replacement a person of equivalent or better qualifications.
- (b) If the Client (i) finds that any of the Personnel has committed serious misconduct or has been charged with having committed a criminal action, or (ii) has reasonable cause to be dissatisfied with the performance of any of the Personnel, the

Consultants shall, at the Client's written request specifying the grounds thereof, provide a replacement person with qualifications and experience acceptable to the Client.

- (c) Except as the Client may otherwise agree in writing, (i) the Consultants shall bear all additional travel and other costs arising out of any removal and/or replacement of Personnel, and (ii) the remuneration to be paid for any of the Personnel provided as a replacement shall not exceed the remuneration which would have been payable to the Personnel replaced.

4.6 Resident Project Manager

If required by the SCC, the Consultants shall ensure that at all times during the performance of the Services in the Republic of Yemen a resident project manager, acceptable to the Client, shall take charge of the performance of such Services.

5. OBLIGATIONS OF THE CLIENT

5.1 Assistance and Exemptions

Unless otherwise specified in the SCC, the Client shall use its best efforts to ensure that the Government shall:

- (a) provide the Consultants, Subconsultants and Personnel with work permits and such other documents as shall be necessary to enable the Consultants, Subconsultants or Personnel to perform the Services;
- (b) arrange for the Personnel and, if appropriate, their eligible dependents to be provided promptly with all necessary entry and exit visas, residence permits, exchange permits and any other documents required for their stay in the Republic of Yemen;
- (c) facilitate prompt clearance through customs of any property required for the Services and of the personal effects of the Personnel and their eligible dependents;
- (d) issue to officials, agents and representatives of the Government all such instructions as may be necessary or appropriate for the prompt and effective implementation of the Services;
- (e) exempt the Consultants and the Personnel and any Subconsultants employed by the Consultants for the Services from any requirement to register or obtain any permit to practice their profession or to establish themselves either individually or as a corporate entity according to the Laws of the Republic of Yemen;
- (f) grant to the Consultants, any Subconsultants and their Personnel the privilege, pursuant to the Applicable Law, of

bringing into the Republic of Yemen reasonable amounts of foreign currency for the purposes of the Services or for the personal use of the Personnel and their dependents, and of withdrawing any such amounts as may be earned therein by the Personnel in the execution of the Services; and

- (g) provide to the Consultants, Subconsultants and Personnel any other such assistance as may be specified in the SCC.

5.2 Access to Land

The Client warrants that the Consultants shall have, free of charge, unimpeded access to all land in the Republic of Yemen in respect of which access is required for the performance of the Services. The Client will be responsible for any damage to such land or any property thereon resulting from such access and will indemnify the Consultants and each of the Personnel in respect of liability for any such damage, unless such damage is caused by the default or negligence of the Consultants or any Subconsultant, or their Personnel.

5.3 Change in the Applicable Law

If, after the date of this Contract, there is any change in the Applicable Law with respect to taxes and duties which increases or decreases the cost incurred by the Consultants in performing the Services, then the remuneration and reimbursable expenses otherwise payable to the Consultants under this Contract shall be increased or decreased accordingly by agreement between the Parties hereto, and corresponding adjustments shall be made to the ceiling amounts specified in GCC Clause 6.1(b).

5.4 Services, Facilities and Property of the Client

For the purposes of the Services, the Client shall make available to the Consultants and the Personnel free of any charge, the services, facilities and property described in Appendix F at the times and in the manner specified therein. If such services, facilities and property are not be made available to the Consultants as and when specified, the Parties shall agree on (i) any time extension appropriate to grant to the Consultants for the performance of the Services, (ii) the manner in which the Consultants shall procure any such services, facilities and property from other sources, and (iii) the additional payments, if any, to be made to the Consultants as a result thereof pursuant to GCC Clause 6.1(c).

5.5 Payment

In consideration of the Services performed by the Consultants, the Client shall make payments to the Consultants as are provided by GCC Clause 6.

5.6 Counterpart Personnel

- (a) The Client shall make available to the Consultants, counterpart personnel to be selected by the Client, with the Consultants' advice, as may be specified in Appendix F hereto. Such counterpart personnel shall be provided free of charge by the Client and shall work under the exclusive direction of the Consultants. If any member of the counterpart

personnel fails to perform adequately the work assigned by the Consultants which is consistent with the position occupied by such member, the Consultants may request a replacement and the Client shall not unreasonably refuse to act upon such request.

- (b) If counterpart personnel are not provided by the Client to the Consultants as and when specified in Appendix F, the Client and the Consultants shall agree on (i) how the affected part of the Services shall be carried out, and (ii) the additional payments, if any, to be made by the Client to the Consultants as a result thereof pursuant to GCC Clause 6.1(c).

6. PAYMENTS TO THE CONSULTANTS

6.1 Cost Estimates; Ceiling Amount

- (a) The estimated cost of the Services payable in foreign currency is set forth in Appendix G. The estimated cost of the Services payable in Yemeni Rials is set forth in Appendix H.
- (b) Except as may be otherwise agreed under GCC Clause 2.6 and subject to GCC Clause 6.1(c), payments shall not exceed the ceilings in foreign currency and in Yemeni Rials specified in the SCC. The Consultants shall notify the Client as soon as cumulative charges incurred for the Services have reached 80% of either of these ceilings.
- (c) Notwithstanding GCC Clause 6.1(b), if pursuant to GCC Clauses 5.3, 5.4 or 5.6, the Parties shall agree any additional payments in local and/or foreign currency to be made to the Consultants for necessary additional expenditures not envisaged in the estimated costs pursuant to GCC Clause 6.1(a), the ceilings set forth in GCC Clause 6.1(b) may be increased by the amount of any such additional payments.

6.2 Remuneration and Reimbursable Expenditures

- (a) Subject to the ceilings specified in GCC Clause 6.1(b), the Client shall pay to the Consultants (i) remuneration pursuant to GCC Clause 6.2(b), and (ii) reimbursable expenditures pursuant to GCC Clause 6.2(c). If specified in the SCC, the remuneration shall be subject to price adjustment as specified in the SCC.
- (b) Remuneration for the Personnel shall be based on the time actually spent in the performance of the Services (including time for necessary travel by the most direct route) at the rates referred to and subject to such additional provisions as are set forth in the SCC.
 - (i) It is understood (i) that the remuneration rates shall cover (A) such salaries and allowances as the Consultants shall

have agreed to pay to the Personnel as well as factors for social charges and overhead, (B) the cost of backstopping by home office staff not included in the Personnel listed in Appendix C, and (C) the Consultants' fee, (ii) that bonuses or other means of profit-sharing shall not be allowed as an element of overhead, and (iii) that any rates specified for persons not yet appointed shall be provisional and shall be subject to revision, with the written approval of the Client, once the applicable salaries and allowances are known.

- (ii) Remuneration for periods of less than one month shall be calculated on an hourly basis for actual time spent in the Consultants' home office and directly attributable to the Services (one hour being equivalent to 1/240th of a month) and on a calendar-day basis for time spent away from home office (one day being equivalent to 1/30th of a month).
- (iii) The rates for foreign personnel are set forth in Appendix G and the rates for local personnel are set forth in Appendix H.

- (c) Reimbursable expenditures actually and reasonably incurred by the Consultants in the performance of the Services, pursuant to GCC Clause 6.3 (b).

6.3 Currency of Payment

- (a) Foreign currency payments shall be made in the currency or currencies specified in the SCC, and local currency payments shall be made in Yemeni Rials.
- (b) Remuneration for foreign Personnel shall be paid in foreign currency and remuneration for local Personnel shall be paid in local currency unless otherwise stated in the SCC.
- (c) Unless otherwise stated in the SCC, reimbursable expenditures in foreign currency shall be the following:
 - (i) a per diem or living allowance for each of the foreign or local Personnel for every day in which such Personnel shall be absent from his home office for the purpose of the Services at the rates specified in Appendix G;
 - (ii) the following transportation costs:
 - (1) the cost of international transportation of the foreign Personnel and eligible dependents of the foreign Personnel, as specified below, by the most appropriate means of transport and the most direct practicable route to and from the Consultants' home office; in the case of air travel, this shall be by less than first class;

- (2) for any foreign Personnel spending twenty-four (24) consecutive months or more in the Republic of Yemen, one extra round trip will be reimbursed for every twenty-four (24) months of assignment in the Republic of Yemen. Such Personnel will be entitled to such extra round trip only if upon their return to the Republic of Yemen, such Personnel are scheduled to serve for the purposes of the Project for a further period of not less than six (6) consecutive months;
 - (3) the cost of transportation to and from the Republic of Yemen of eligible dependents who shall be the spouse and not more than two (2) unmarried dependent children under eighteen (18) years of age of those of the foreign Personnel assigned to resident duty in the Republic of Yemen for the purpose of the Services for periods of six (6) consecutive months or longer, provided that the stay of such dependents in the Republic of Yemen shall have been for not less than three (3) consecutive months, duration. If the assignment period for resident staff of the foreign Personnel will be thirty (30) months or more, one extra economy class air trip for their eligible dependents for every twenty-four (24)-month assignment will be reimbursed;
 - (4) for the air travel of each of the foreign Personnel, and each eligible dependent, the cost of excess baggage up to twenty (20) kilograms per person, or the equivalent in cost of unaccompanied baggage or air freight; and
 - (5) miscellaneous travel expenses such as the cost of transportation to and from airports, airport taxes, passport, visas, travel permits, vaccinations, etc., at a fixed unit price per round trip as specified in Appendix G;
- (iii) the cost of communications (other than those arising in the Republic of Yemen) reasonably required by the Consultants for the purposes of the Services;
 - (iv) the cost of printing, reproducing and shipping of the documents, reports, drawings, etc. as specified in Appendices A and B hereof;
 - (v) the cost of acquisition, shipment and handling of the following equipment, instruments, materials and supplies required for the Services;
 - (vi) the cost of shipment of personal effects up to the limit specified in Appendix G;
 - (vii) the cost of programming and use of, and communication between, the computers for the purposes of the Services

- at the rate set forth in Appendix G;
 - (viii) the cost of training of the Client's personnel outside the Republic of Yemen, as specified in Appendix G;
 - (ix) the cost of laboratory tests on materials, model tests and other technical services authorized or requested by the Client, as specified in Appendix G;
 - (x) the foreign currency cost of any subcontract required for the Services and approved in writing by the Client;
 - (xi) the cost of other items which may be required by the Consultants for completion of the Services, subject to the prior authorisation in writing by the Client; and
 - (xi) any such additional payments in foreign currency for properly procured items as the Parties may have agreed upon pursuant to the provisions of Clause GCC 6.1(c).
- (d) Unless otherwise stated in the SCC, the reimbursable expenditures payable in Yemeni Rials shall be:
- (i) a per diem or living allowance for local Personnel who are required to work for extended time periods at considerable distance from their normal duty station.
 - (ii) the cost of the following locally procured items: local transportation, office accommodations, camp facilities, camp services, subcontracted services, soil testing, equipment rentals, supplies, utilities and communication charges arising in the Republic of Yemen, all if and to the extent required for the purpose of the Services, at rates specified in Appendix H;
 - (iii) the cost of equipment, materials and supplies to be procured locally in the Republic of Yemen as specified in Appendix H;
 - (iv) the Yemeni Rials cost of any local subcontract required for the Services and approved in writing by the Client;
 - (v) any such additional payments in Yemeni Rials for properly procured items as the Parties may have agreed upon pursuant to the provisions of Clause GCC 6.1(c); and
 - (vi) the cost of such further items as may be required by the Consultants for the purpose of the Services, as may agreed in writing by the Client.

6.4 Mode of Invoicing Billings and payments in respect of the Services shall be made as follows:

and Payment

- (a) The Client shall pay to the Consultants an advance payment as specified in the SCC. Release of an advance payment by the Client will be subject to provision by the Consultants of a bank guarantee by a bank acceptable to the Client in an amount (or amounts) and in a currency (or currencies) specified in the SCC. The bank guarantee shall (i) remain effective until the advance payment has been fully set off as provided in the SCC, and (ii) be in the form set forth in Appendix I hereto or in such other form as the Client shall have approved in writing.
- (b) As soon as practicable, and not later than fifteen (15) days after the end of each calendar month during the period of the Services, the Consultants shall submit to the Client, in duplicate, itemised statements, accompanied by copies of receipted invoices, vouchers and other appropriate supporting materials, of the amounts payable pursuant to Clauses GCC 6.3 and 6.4 for the month. Separate monthly statements shall be submitted in respect of amounts payable in foreign currency and in Yemeni Rials. Each such monthly statement shall separately identify the costs of remuneration and of reimbursable expenditures.
- (c) The Client shall pay the Consultants' monthly statements within ninety (90) days after receipt by the Client with supporting documents. Items not satisfactorily supported by documentary evidence may be withheld from payment. Should any discrepancy be found to exist between actual payment and costs authorised to be charged by the Consultants, the Client may add or subtract the difference from any subsequent payments. Interest at the annual rate specified in the SCC shall become payable as from the above due date on any amount due by, but not paid on, such due date.
- (d) The final payment to the Consultant shall be made only after the final report and a final statement, identified as such, have been submitted by the Consultants and approved as satisfactory by the Client. The Services, the final report and the final statement shall be deemed completed and accepted by the Client as satisfactory ninety (90) calendar days after receipt of the final report and final statement by the Client unless the Client gives written notice to the Consultants specifying in detail deficiencies in the Services, the final report or final statement within such ninety (90)-day period. The Consultants shall thereupon promptly make any necessary corrections, and on completion of such corrections, the foregoing process shall be repeated. Any amount which the Client has paid or caused to be paid in excess of the

amounts actually due in accordance with the provisions of this Contract shall be reimbursed by the Consultants to the Client within thirty (30) days after receipt by the Consultants of notice thereof. Any such claim by the Client for reimbursement must be made within twelve (12) calendar months after receipt by the Client of the final report and the final statement approved by the Client.

- (e) All payments under this Contract shall be made to the accounts of the Consultants specified in the SCC.

7. FAIRNESS AND GOOD FAITH

7.1 Good Faith

The Parties undertake to act in good faith with respect to each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

7.2 Operation of the Contract

The Parties recognise that it is impractical in this Contract to provide for every contingency which may arise during the life of the Contract, and the Parties hereby agree that it is their intention that this Contract shall operate fairly as between them, and without detriment to the interest of either of them, and that, if during the term of this Contract either Party believes that this Contract is operating unfairly, the Parties will use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness, but no failure to agree on any action pursuant to this Clause shall give rise to a dispute subject to arbitration in accordance with Clause GCC 8.

8. SETTLEMENT OF DISPUTES

8.1 Amicable Settlement

The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or the interpretation thereof.

8.2 Dispute Settlement

Any dispute between the Parties as to matters arising pursuant to this Contract which cannot be settled amicably within thirty (30) days after receipt by one Party of the other Party's request for such amicable settlement may be submitted by either Party for settlement in accordance with the provisions specified in the SCC.

III. Special Conditions of Contract

Number of GCC Clause	Amendments of, and Supplements to, Clauses in the General Conditions of Contract
GCC Clause 1.4	The language of the Contract is Arabic [<i>specify English if the Request for Proposal is issued in English</i>].
GCC Clause 1.6.1	The addresses for notices are: Client: _____ _____ Attention: _____ Telex: _____ Facsimile: _____ Consultants: _____ _____ Attention: _____ Telex: _____ Facsimile: _____
GCC Clause 1.9	The Authorised Representatives are: For the Client: _____ For the Consultants: _____
GCC Clause 1.10	The Client warrants that the Consultants, the Subconsultants and their Personnel shall be exempt from [<i>or that the Client shall pay on behalf of the Consultants, the Subconsultants and the Personnel, or shall reimburse the Consultants, the Subconsultants and the Personnel for</i>] any taxes, duties, fees, levies and other impositions imposed, under the Applicable Law, on the Consultants, the Subconsultants and the Personnel in respect of: (a) any payments whatsoever made to the Consultants, Subconsultants and the Personnel (other than nationals of the Republic of Yemen or permanent residents of the Republic of Yemen), in connection with the carrying out of the Services; (b) any equipment, materials and supplies brought into the Republic of Yemen by the Consultants or Subconsultants for the purpose of carrying out the Services and which, after having been brought into the country, will be subsequently withdrawn therefrom by them;

- (c) any equipment imported for the purpose of carrying out the Services and paid for out of funds provided by the Client and which is treated as property of the Client;
- (d) any property brought into the Republic of Yemen by the Consultants, any Subconsultants or the Personnel (other than nationals of the Republic of Yemen or permanent residents of the Republic of Yemen), or the eligible dependents of such Personnel for their personal use and which will subsequently be withdrawn therefrom by them upon their respective departure from the Republic of Yemen, provided that:
 - (1) the Consultants, Subconsultants and Personnel, and their eligible dependents, shall follow the usual customs procedures of the Republic of Yemen in importing property into the Republic of Yemen; and
 - (2) if the Consultants, Subconsultants or Personnel, or their eligible dependents, do not withdraw but dispose of any property in the Republic of Yemen upon which customs duties and taxes have been exempted, the Consultants, Subconsultants or Personnel, as the case may be, (i) shall bear such customs duties and taxes in conformity with the regulations of the Republic of Yemen, or (ii) shall reimburse them to the Client if they were paid by the Client at the time the property in question was brought into the Republic of Yemen

GCC Clause 2.1 Effectiveness of the Contract is subject to the following conditions:
[List any conditions for effectiveness of the Contract.]

GCC Clause 2.2 The time period shall be *[insert time period, e.g.: four months]*.

GCC Clause 2.3 The time period for commencement of the Services shall be *[length of time]* or such other time period as the parties may agree in writing.

GCC Clause 2.4 The time period for expiration of the Contract shall be *[length of time]* or such other time period as the parties may agree in writing.

GCC Clause 3.5 The risks and the coverage shall be as follows:

- (a) Third Party motor vehicle liability insurance in respect of motor vehicles operated in the Republic of Yemen by the Consultants or their Personnel or any Subconsultants or their Personnel, with a minimum coverage of *[amount]*;
- (b) Third Party liability insurance, with a minimum coverage of *[amount]*;
- (c) professional liability insurance, with a minimum coverage of *[amount]*;
- (d) employer's liability and workers' compensation insurance in respect of the Personnel of the Consultants and of any Subconsultant, in accordance with the relevant provisions of the Applicable Law, as well as, with respect to such Personnel, any such life, health, accident, travel or other insurance as may be appropriate; and
- (e) insurance against loss of or damage to (i) equipment purchased in whole or in part with funds provided under this Contract, (ii) the Consultants' property used in the performance of the Services, and (iii) any documents prepared by the Consultants in the performance of the Services.

[Note: Delete any of the above which are not applicable]

GCC Clause 6.1(b) The ceiling in foreign currency or currencies is: *[amount]*

The ceiling in Yemeni Rials is: *[amount]*

GCC Clause 6.3(a) The foreign currency [currencies] shall be the following:

- (i) *[name of foreign currency]*
- (ii) *[name of foreign currency]*

GCC Clause 6.4(a) An advance payment of *[amount and currency or currencies]* shall be made within *[number of days]* days after the Effective Date. The bank guarantee shall be in the amount and in the currencies of the advance payment. The advance payment will be set off by the Client in equal installments against the statements for the first *[number of months]* months of the Services until the advance payment has been fully set off.

GCC Clause 6.4(c) The interest rate is: *[rate]*

GCC Clause 6.4(e) The bank accounts are:
for foreign currency: *[insert account details]*
for Yemeni Rials: *[insert account details]*

GCC Clause 8.2 [Note: (a) below shall be retained in the case of a Contract with a foreign Supplier (b) shall be retained in the case of a Contract with a national of the Republic of Yemen:]

[Example Clauses:]

(a) *Contract with a foreign Supplier:*

Any dispute, controversy or claim arising out of or relating to this Contract, or breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force.

(b) *Contracts with Supplier national of the Republic of Yemen:*

In the case of a dispute between the Purchaser and a Supplier who is a national of the Republic of Yemen, the dispute shall be referred to adjudication or arbitration in accordance with the laws of the Republic of Yemen.

[At the time of finalising the Contract, the respective applicable clause only should be retained in the Contract.]

In any arbitration proceeding hereunder:

- (a) proceedings shall, unless otherwise agreed by the Parties, be held in *[location]*;
- (b) the *[Arabic or English]* language shall be the official language for all purposes; and
- (c) the decision of the sole arbitrator or of a majority of the arbitrators (or of the third arbitrator if there is no such majority) shall be final and binding and shall be enforceable in any court of competent jurisdiction, and the Parties hereby waive any objections to or claims of immunity in respect of such enforcement.

MODEL FORM I
See SCC Clause GCC 6.2(b)(i)

Consulting Firm:
Assignment:

Date:

Consultants' Representations Regarding Costs and Charges

We hereby confirm that (a) the basic salaries indicated below are taken from the firm's payroll records and reflect the current salaries of the staff members listed which have not been raised other than within the normal annual salary increase policy as applied to all the firm's staff; (b) attached are true copies of the latest salary slips of the staff members listed; (c) the away from headquarters allowances indicated below are those that the Consultants have agreed to pay for this assignment to the staff members listed; (d) the factors listed below for social charges and overhead are based on the firm's average cost experiences for the latest three years as represented by the firm's financial statements; and (e) said factors for overhead and social charges do not include any bonuses or other means of profit-sharing.

(Expressed in *[name of currency]*)

Name	Position	Basic Salary per Working Month/Day/Year <i>(a)</i>	Social Charges <i>(b)</i>	Overhead <i>(c)</i>	Away from Headquarters Allowance <i>(f)</i>
etc.					
¹ Expressed as a percentage of <i>(a)</i> .					

[Name of Consulting Firm]

Signature of Authorised Representative

Date

Name: _____

Title: _____

Note: For field staff, use Basic Salary per Working Month; for home office staff, Basic Salary per Working Day or Hour. For field staff, also fill in Away from Headquarters Allowance, if any. This form (and the one on the next page) should not be part of the signed Contract but should be executed by the Consultants separately. See SCC Clause GCC 6.2(b)(i).

MODEL FORM II

See Notes to Form on preceding page and SCC Clause GCC 6.2(b)(i)

Breakdown of Agreed Fixed Rates in Consultants' Contract

We hereby confirm that we have agreed to pay to the staff members listed, who will be involved in this assignment, the basic salaries and away from headquarters allowances (if applicable) indicated below:

(Expressed in *[name of currency]*)

Name	Position	Basic Salary per Working Month/Day/Year <i>(a)</i>	Social Charges <i>(b)</i>	Overhead <i>(c)</i>	Subtotal <i>(d)</i>	Fee <i>(e)</i>	Away from Headquarters Allowance <i>(f)</i>	Agreed Fixed Rate per Working Month/Day/Hour <i>(g)</i>	Agreed Fixed Rate ¹ <i>(h)</i>
etc.									

¹ Expressed as a percentage of *(a)*.
² Expressed as a percentage of *(d)*.

Signature

Date

Name: _____

Title: _____

IV. Appendices

APPENDIX A—DESCRIPTION OF THE SERVICES

[Give detailed descriptions of the Services to be provided, dates for completion of various tasks, place of performance for different tasks, specific tasks to be approved by Client, etc.]

APPENDIX B—REPORTING REQUIREMENTS

[List format, frequency, and contents of reports; persons to receive them; dates of submission; etc. If no reports are to be submitted, state here “Not applicable.”]

APPENDIX C—KEY PERSONNEL AND SUBCONSULTANTS

- [List under:*
- C-1 Titles [and names, if already available], detailed job descriptions and minimum qualifications of Key foreign Personnel to be assigned to work in the Republic of Yemen, and staff-months for each.*
 - C-2 Same information as C-1 for Key local Personnel.*
 - C-3 Same as C-1 for Key Personnel to be assigned to work outside the Republic of Yemen.*
 - C-4 List of approved Subconsultants (if already available); same information with respect to their Personnel as in C-1 through C-3]*

APPENDIX D—MEDICAL CERTIFICATE

[Show here an acceptable form of medical certificate for foreign Personnel to be stationed in the Republic of Yemen. If there is no need for a medical certificate, state here “Not applicable.”]

APPENDIX E—HOURS OF WORK FOR KEY PERSONNEL

[List here the hours of work for Key Personnel; travel time to and from the Republic of Yemen for foreign Personnel (Clause GCC 4.4(a)); entitlement, if any, to overtime pay, sick leave pay, vacation leave pay, etc.]

APPENDIX F—DUTIES OF THE CLIENT

- [List under:*
- F-1 Services, facilities and property to be made available to the Consultants by the Client.*
 - F-2 Counterpart personnel to be made available to the Consultants by the Client.]*

APPENDIX G—COST ESTIMATES IN FOREIGN CURRENCY

[List hereunder cost estimates in foreign currency:

- 1. (a) Monthly rates for foreign Personnel (Key Personnel and other Personnel)*
 - (b) Monthly rates for local Personnel (Key Personnel and other Personnel).*

Note: This should be added if local Personnel are also being paid in foreign currency.
- 2. Reimbursable expenditures*
 - (a) Per diem allowances.*
 - (b) Air transport for foreign Personnel.*
 - (c) Air transport for dependents.*
 - (d) Transport of personal effects.*
 - (e) International communications.*
 - (f) Printing of documents specified in Appendices A and B hereof.*
 - (g) Acquisition of specified equipment and materials to be imported by the Consultants and to be paid for by the Client (including transportation to the Republic of Yemen).*
 - (h) Other foreign currency expenditures, like use of computers, foreign training of Client’s staff, various tests, etc.]*

APPENDIX H—COST ESTIMATES IN YEMENI RIALS

[List hereunder cost estimates in Yemeni Rials:

1. *Monthly rates for local Personnel (Key Personnel and other Personnel)*
2. *Reimbursable expenditures as follows:*
 - (a) *Per diem rates for subsistence allowance for foreign short-term Personnel, plus estimated totals.*
 - (b) *Living allowances for long-term foreign Personnel, plus estimated totals.*
 - (c) *Cost of local transportation.*
 - (d) *Cost of other local services, rentals, utilities, etc.]*

APPENDIX I—FORM OF BANK GUARANTEE FOR ADVANCE PAYMENTS

Dear: [Name of Entity]

Project Name

.....

Pursuant to the instructions and conditions of the contract for the provision of a guarantee for the payment of the advance payment.

We [Name of bank] guarantee..... [Name of the consultant] an absolute, unconditional and irrevocable guarantee to pay for [Name of Entity] the amount of [Write the amount in figures] [Write the amount in letters] at your first demand in writing without any reservation or objection from our part or by the content if it is found that [Name of consultant] has failed to perform its obligations under the contract or that the advance payment has been used for other purposes outside the framework of the project under the contract, and this guarantee shall be valid from the date of receipt of payment until recovery in accordance with legal procedures.

Signature and Seal: _____

Bank Name : _____

Address: _____

Date: _____